

**PANDA SOFTWARE (UK) LTD**  
**REPORT OF THE DIRECTORS AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2008**

Bespokes Limited  
Chartered Accountants  
& Registered Auditors  
Hilden Park House  
79 Tonbridge Road  
Hildenborough  
Tonbridge  
Kent  
TN11 9BH

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COMPANIES HOUSE

**PANDA SOFTWARE (UK) LTD**

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**For The Year Ended 31st December 2008**

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**PANDA SOFTWARE (UK) LTD**

**COMPANY INFORMATION**

**For The Year Ended 31st December 2008**

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**DIRECTORS:**

Formjet Plc  
L Chapman (appointed 12 March 2009)  
S Giannotta (resigned 12 March 2009)  
S J Hallworth (resigned 12 March 2009)  
D Hoskins (resigned 12 March 2009)  
Mrs E Porteus (resigned 12 March 2009)  
A Roberts  
Ms K White (resigned 12 March 2009)

**SECRETARY:**

Mrs E Porteus (resigned 12 March 2009)

**REGISTERED OFFICE:**

Innovation House  
Windsor Place  
Faraday Road  
Crawley  
West Sussex  
RH10 9TF

**REGISTERED NUMBER:**

3760287

**AUDITORS:**

Bespokes Limited  
Chartered Accountants  
& Registered Auditors  
Hilden Park House  
79 Tonbridge Road  
Hildenborough  
Tonbridge  
Kent  
TN11 9BH

## **PANDA SOFTWARE (UK) LTD**

### **REPORT OF THE DIRECTORS**

**For The Year Ended 31st December 2008**

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The directors present their report with the financial statements of the company for the year ended 31st December 2008.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of marketing and distribution of anti-virus software.

#### **REVIEW OF BUSINESS**

The results for the year and financial position of the company are as shown in the annexed financial statements.

#### **DIVIDENDS**

No dividends will be distributed for the year ended 31st December 2008.

#### **DIRECTORS**

Formjet Plc has held office during the whole of the period from 1st January 2008 to the date of this report.

Other changes in directors holding office are as follows:

L Chapman – appointed 12 March 2009  
S Giannotta - resigned 12 March 2009  
S J Hallworth - resigned 12 March 2009  
D Hoskins - resigned 12 March 2009  
Mrs E Porteus - resigned 12 March 2009  
A Roberts  
Ms K White - resigned 12 March 2009

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**PANDA SOFTWARE (UK) LTD**

**REPORT OF THE DIRECTORS**

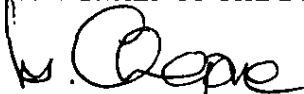
**For The Year Ended 31st December 2008**

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**AUDITORS**

The auditors, Bespokes Limited, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

**ON BEHALF OF THE BOARD:**



Mr L Chapman - Director

05 June 2009

## **REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF PANDA SOFTWARE (UK) LTD**

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We have audited the financial statements of Panda Software (UK) Ltd for the year ended 31st December 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF  
PANDA SOFTWARE (UK) LTD**

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**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31st December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.



Bespokes Limited  
Chartered Accountants  
& Registered Auditors  
Hilden Park House  
79 Tonbridge Road  
Hildenborough  
Tonbridge  
Kent  
TN11 9BH

05 June 2009

**PANDA SOFTWARE (UK) LTD**

**PROFIT AND LOSS ACCOUNT**

**For The Year Ended 31st December 2008**

	Notes	2008 £	2007 £
<b>TURNOVER</b>		<b>1,649,132</b>	<b>2,090,794</b>
Cost of sales		<u>581,578</u>	<u>686,233</u>
<b>GROSS PROFIT</b>		<b>1,067,554</b>	<b>1,404,561</b>
Administrative expenses		<u>1,246,220</u>	<u>1,192,179</u>
		<b>(178,666)</b>	<b>212,382</b>
Other operating income		<u>-</u>	<u>-</u>
<b>OPERATING PROFIT</b>	<b>3</b>	<b>(178,666)</b>	<b>212,382</b>
Interest payable and similar charges	<b>4</b>	<u>6,849</u>	<u>17,050</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(185,515)</b>	<b>195,332</b>
Tax on profit on ordinary activities	<b>5</b>	<u>-</u>	<u>-</u>
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<b><u>(185,515)</u></b>	<b><u>195,332</u></b>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profits for the current year or previous year.

The notes form part of these financial statements



**PANDA SOFTWARE (UK) LTD**

**BALANCE SHEET**  
**31st December 2008**

		2008	2007
	Notes	£	£
<b>FIXED ASSETS</b>			
Tangible assets	6	29,212	10,981
<b>CURRENT ASSETS</b>			
Stocks	7	60,999	46,572
Debtors	8	241,481	666,140
Cash at bank and in hand		<u>4,707</u>	<u>-</u>
		307,187	712,712
<b>CREDITORS</b>			
Amounts falling due within one year	9	<u>305,909</u>	<u>507,688</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>1,278</u>	<u>205,024</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>30,490</u>	<u>216,005</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	785,100	785,100
Profit and loss account	13	<u>(754,610)</u>	<u>(569,095)</u>
<b>SHAREHOLDERS' FUNDS</b>	16	<u>30,490</u>	<u>216,005</u>

The financial statements were approved by the Board of Directors on 05 June 2009 and were signed on its behalf by:

  
Formjet Plc - Director

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS**  
**For The Year Ended 31st December 2008**

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**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with applicable statements of accounting practice.

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of income and expenditure during the reporting period. Actual results could differ from these estimates. Estimates are used primarily when accounting for provisions for doubtful debts, depreciation, amortisation and taxes.

**Turnover**

Turnover represents net invoiced sales of goods, excluding value added tax.

Turnover represents the value of sales invoiced and fulfilled during the year, excluding VAT. All turnover arises in the UK.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures & fittings	- 25% on cost
	- 10% on cost

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Taxation**

The charge for taxation is based on the result for the period and takes into account deferred taxation. Provision is made for material deferred taxation, in respect of all timing differences that have originated but not reversed at the balance sheet date. Deferred tax assets are recognised only to the extent that the Directors consider it is more likely than not, that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

**Leased assets**

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments made under them are charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

**Foreign currencies**

Transactions denominated in foreign currencies are translated into the functional currency at the rate ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

NOTES TO THE FINANCIAL STATEMENTS - continued  
For The Year Ended 31st December 2008

1. ACCOUNTING POLICIES - continued

**Cashflow statement**

The company has taken advantage of the exception not to prepare a cashflow statement on the basis that a consolidated cashflow statement is published in the parent companies consolidated financial statements.

2. STAFF COSTS

	2008	2007
	£	£
Wages and salaries	450,380	562,393
Social security costs	56,089	60,171
Other pension costs	-	-
	<u>506,469</u>	<u>622,564</u>

The average monthly number of employees during the year was as follows:

	2008	2007
Administrative	5	5
Operations	<u>11</u>	<u>10</u>
	<u>16</u>	<u>15</u>

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2008	2007
	£	£
Other operating leases	(2,834)	10,942
Depreciation - owned assets	5,829	14,377
Auditors' remuneration	8,250	9,750
Foreign exchange differences	<u>(2)</u>	<u>(2,005)</u>
	<u>94,520</u>	<u>124,431</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2008	2007
	£	£
Other interest and surcharges	<u>6,849</u>	<u>17,050</u>

5. TAXATION

**Analysis of the tax charge**

No liability to UK corporation tax arose on ordinary activities for the year ended 31st December 2008 nor for the year ended 31st December 2007.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31st December 2008**

**5. TAXATION - continued****Factors affecting the tax charge**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2008 £	2007 £
Profit on ordinary activities before tax	<u>(185,515)</u>	<u>195,332</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.75% (2007 – 19.75%)	(38,494)	38,578
Effects of:		
Depreciation in excess of capital allowances	(597)	829
Expenditure disallowed	63	444
Unutilised tax losses carried forward	<u>(39,028)</u>	<u>(39,851)</u>
Current tax charge	<u>-</u>	<u>-</u>

Losses carried forward at 31 December 2008 were approximately £740,000 (2007: £550,000).

**6. TANGIBLE FIXED ASSETS**

	Fixtures & fittings £
<b>COST</b>	
At 1st January 2008	123,826
Additions	<u>24,060</u>
At 31st December 2008	<u>147,886</u>
<b>DEPRECIATION</b>	
At 1st January 2008	112,845
Charge for year	<u>5,829</u>
At 31st December 2008	<u>118,674</u>
<b>NET BOOK VALUE</b>	
At 31st December 2008	<u>29,212</u>
At 31st December 2007	<u>10,981</u>

**7. STOCKS**

	2008 £	2007 £
Stocks	<u>60,999</u>	<u>46,572</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31st December 2008**

**8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2008	2007
	£	£
Trade debtors	228,282	417,549
Amounts owed by group undertakings	2,576	234,490
Other debtors	3,660	11,285
Prepayments	6,963	2,816
	<u>241,481</u>	<u>666,140</u>

Included in trade debtors are £178,269 (2007: £383,264) of factored debts.

**9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2008	2007
	£	£
Bank loans and overdrafts (see note 10)	-	276
Trade creditors	23,181	44,584
Social security and other taxes	62,310	102,345
Owed to group companies	-	-
Other creditors	53,259	127,621
Accruals and deferred income	167,159	232,862
	<u>305,909</u>	<u>507,688</u>

**10. LOANS**

An analysis of the maturity of loans is given below:

	2008	2007
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>-</u>	<u>276</u>

**11. SECURED DEBTS**

All debts owed by the company in respect of a debt purchase agreement are secured by way of a debenture over the assets of the company. At 31 December 2008 there was a creditor due by the company of £39,998 (2007: £127,621). This is included within other creditors.

The company has entered into a cross company guarantee between Formjet plc and that company's other subsidiaries in favour of its bankers.

**PANDA SOFTWARE (UK) LTD**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31st December 2008**

**12. CALLED UP SHARE CAPITAL**

Authorised:		Nominal value: £1	2008	2007
Number:	Class:		£	£
1,000,000	Ordinary		<u>1,000,000</u>	<u>1,000,000</u>
Allotted, issued and fully paid:		Nominal value: £1	2008	2007
Number:	Class:		£	£
785,100 (2007 - 785,100)	Ordinary		<u>785,100</u>	<u>785,100</u>

No Ordinary shares of £1 each were allotted and fully paid for cash at par during the year.

**13. RESERVES**

	Profit and loss account £
At 1st January 2008	(569,095)
Profit for the year	<u>(185,515)</u>
At 31st December 2008	<u>(754,610)</u>

**14. ULTIMATE PARENT COMPANY**

The Company's immediate and ultimate holding company is Formjet plc. It has included the Company in its group accounts, copies of which are available from its registered office: 16 Union Road, Cambridge, CB2 1HE.

The Company is under the control of the board of Formjet plc, who own the entire share capital of the Company.

**15. RELATED PARTY DISCLOSURES**

Exemption is taken of related party disclosures in respect of group transactions on the grounds that details of the Company are included in the consolidated accounts of Formjet Plc.

**16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2008	2007
	£	£
Profit for the financial year	(185,515)	195,332
Share issue	-	300,000
Net addition to shareholders' funds	(185,515)	495,332
Opening shareholders' funds	<u>216,005</u>	<u>(279,327)</u>
Closing shareholders' funds	<u>30,490</u>	<u>216,005</u>

**17. GOING CONCERN**

The accounts have been prepared on a going concern basis, the validity of which depends on the company trading profitably and continued funding being available from the parent company and the company's creditors. The accounts do not include any adjustments that would result from the company being unable to continue to trade.